

**Assembly Joint Resolution**

**No. 36**

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**Introduced by Assembly Member Logue**  
**(Coauthors: Assembly Members Achadjian, Bill Berryhill, Conway,**  
**Garrick, Hagman, Jones, Mansoor, Miller, Nielsen, Olsen, Silva,**  
**and Wagner)**

March 27, 2012

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Assembly Joint Resolution No. 36—Relative to federal health care reform.

LEGISLATIVE COUNSEL’S DIGEST

AJR 36, as introduced, Logue. The Federal Patient Protection and Affordable Care Act.

This measure would make various statements regarding the federal Patient Protection and Affordable Care Act (PPACA), would request the President and the United States Congress to repeal PPACA, and would encourage federal, state, and local officials to enact health care reform that, among other things, puts the citizen and his or her family at the center of the health care system, as specified. The measure would also request the United States Congress to, among other things, reform federal tax laws, allow Americans to buy health care coverage across state lines, allow businesses to create association health plans, and lift restrictions on employers so they can offer lower premiums to employees who practice healthy lifestyles, and would request the Legislature to enact reforms consistent with those changes, as specified.

Fiscal committee: no.

- 1 WHEREAS, While the Founding Fathers, after fighting for
- 2 many years against the arbitrary tyranny of King George III and

1 the British aristocracy in Parliament, crafted the United States  
2 Constitution in 1787 to preserve the liberty of free Americans by  
3 purposely confining the federal government to enumerated and  
4 limited powers, President Obama, by signing the Patient Protection  
5 and Affordable Care Act (PPACA), also known as Obamacare,  
6 into law, ultimately grants the life and death power over how  
7 medical care will be provided to future generations of Americans  
8 to a new and unaccountable aristocracy consisting of a small  
9 number of federal politicians, lobbyists, and federal employees at  
10 the United States Department of Health and Human Services; and

11 WHEREAS, When on September 9, 2009, President Obama  
12 told the United States Congress that he was “determined to be the  
13 last president” to take up the cause of health care and advocated  
14 for the federal government to seize the commanding heights and  
15 regulatory direction of the U.S. health care system, he was  
16 promoting a paternalistic, “we decide what you need,” top-down  
17 model of government that is at odds with the long and cherished  
18 American tradition of the smart and self-reliant citizen working  
19 with others in local communities to ensure equal opportunity for  
20 all Americans; and

21 WHEREAS, House Speaker Nancy Pelosi said just prior to  
22 passing the PPACA by a mere Seven votes — a bill that exceeded  
23 2,700 pages in length and centralizes control and direction over  
24 17 percent of the gross domestic product of the country into the  
25 hands of a small number of federal politicians, lobbyists, and  
26 federal employees — that “We have to pass the bill so that you  
27 can find out what is in it”; and

28 WHEREAS, The Democratic leadership of the United States  
29 Congress decided to pass in March 2010 a bill, without bipartisan  
30 support, to completely restructure one-sixth of the U.S. economy  
31 using vote-buying tactics including the infamous “Louisiana  
32 Purchase,” the “Cornhusker Kickback,” extra hospital funding for  
33 Tennessee, funding for the University of Connecticut, funding for  
34 NASA, water supplies for one area of California, asbestos money  
35 for Montana, and the federal takeover of the student loan program;  
36 and

37 WHEREAS, The corrupt enactment of PPACA makes a mockery  
38 of the famous Schoolhouse Rock video titled, “How a Bill Becomes  
39 a Law,” and of the lessons taught in every civics classroom in  
40 America as seen in a Heritage Foundation study released on

1 February 21, 2012, that demonstrates that the Obama  
2 Administration dramatically increased their distribution of millions  
3 of taxpayer dollars in administrative earmarks for at least 32  
4 vulnerable Democrat Congressmen at precisely the time when the  
5 House of Representatives was voting on the Cap and Trade bill  
6 on June 26, 2009, the Dodd-Frank financial regulation bill on  
7 December 11, 2009, and PPACA on March 21, 2010; and

8 WHEREAS, Now that the American public, health economists,  
9 academic scholars, and public policy analysts have had a chance  
10 to read PPACA and “find out what is in it” after its enactment,  
11 more and more evidence is emerging every day that demonstrates  
12 that PPACA contains numerous major flaws, including the fact  
13 that it: is unconstitutional; will “bend the cost curve up” as health  
14 care costs escalate at an even higher rate; will kill jobs; will lower  
15 wages; will outsource jobs overseas; will force people to spend  
16 more on health care without increasing the quality of care received;  
17 will mandate fewer health plan choices for consumers; will cause  
18 millions to lose their employer-sponsored health coverage and  
19 personal doctor; will create a two-tier health care system in which  
20 more and more privately insured citizens will be involuntarily  
21 shifted to the government-run Medicaid program and  
22 government-run state exchanges; will make it much more difficult  
23 for Medicare beneficiaries and privately insured people to establish  
24 a long-term relationship with a primary care physician and  
25 specialists when needed; will force workers to disclose their family  
26 incomes to their employer; will cause longer waiting times in  
27 emergency rooms and community clinics; will force people who  
28 do not smoke or eat to the level of obesity to subsidize the health  
29 insurance premiums of those who do; will decrease the invention  
30 of new life-saving drugs and medical devices; will increase special  
31 interest campaign contributions to incumbent members of Congress  
32 and increase the influence of lobbyists and crony capitalists; will  
33 force states to cut education, public safety, and natural resource  
34 protection spending in order to comply with federal mandates to  
35 expand Medicaid spending; will create a new and unaffordable  
36 federal entitlement at a time when the federal government has a  
37 budget deficit that exceeds \$1.3 trillion a year; will force the federal  
38 government to borrow more money from foreign countries that  
39 violate human rights; will force religious institutions that serve  
40 the common good to either violate their deeply held religious

1 beliefs or stop aiding the poor; will financially penalize married  
2 couples; will force taxpayers to subsidize abortions; and unleash  
3 the Internal Revenue Service (IRS) to hunt down and fine otherwise  
4 law-abiding individuals and employers; and

5 WHEREAS, While the President of the United States and  
6 members of Congress must take the oath to “preserve, protect, and  
7 defend the Constitution of the United States,” PPACA violates the  
8 U.S. Constitution by expanding the reach of the federal government  
9 beyond its traditionally recognized enumerated and limited powers,  
10 violates the Tenth Amendment to the U.S. Constitution which  
11 provides that “The powers not delegated to the United States by  
12 the Constitution, nor prohibited by it to the states, are reserved to  
13 the states and people,” violates the First Amendment to the U.S.  
14 Constitution which provides that the Congress shall make no law  
15 “prohibiting the free exercise” of religion; and

16 WHEREAS, While the Declaration of Independence charged  
17 that King George III had “erected a multitude of New Offices, and  
18 sent hither swarms of Officers to harass our people, and eat out  
19 their substance,” the Mercatus Center at George Mason University  
20 has estimated that the phrase “the Secretary shall” — designating  
21 items that will require tens of thousands of pages of new rules and  
22 regulations from the federal government — appears 1,563 times  
23 in PPACA; and

24 WHEREAS, Twenty-eight states have filed lawsuits against  
25 PPACA, opposing the law’s brazen attempt to override the  
26 constitutional rights of individual citizens, families, and states;  
27 and

28 WHEREAS, The individual mandate in PPACA, which gives  
29 the IRS the power to impose a series of escalating fines on citizens  
30 who don’t purchase a health insurance plan designed by federal  
31 politicians, President Obama’s political appointees, lobbyists, and  
32 federal employees in the U.S. Department of Health and Human  
33 Services, is an unprecedented power grab by the federal  
34 government and an unconstitutional attack on each citizen’s  
35 personal liberty and on the traditional power of states to ensure  
36 the proper regulation of health care within their jurisdictions; and

37 WHEREAS, The individual mandate in PPACA represents the  
38 first time in over 220 years of American history that the federal  
39 government has attempted to require every American to purchase

1 a private product merely as a condition of lawful residence in the  
2 country; and

3 WHEREAS, In upholding Virginia’s challenge to the  
4 constitutionality of the individual mandate, U.S. District Court  
5 Judge Henry Hudson wrote: “The unchecked expansion of  
6 Congressional power to the limits suggested by the Minimum  
7 Essential Coverage provisions would invite unbridled exercise of  
8 federal police power”; and

9 WHEREAS, The U.S. Court of Appeals for the 11th District  
10 found that judicial recognition of the Congress to compel  
11 Americans to buy and maintain health insurance under the  
12 Commerce Clause would permit federal regulation of any aspect  
13 of life with some economic impact and thereby undermine our  
14 federalist structure; and

15 WHEREAS, In oral arguments before the U.S. Court of Appeals  
16 for the 11th District, President Obama’s lawyers admitted that,  
17 because they recognize no “doctrinal limiting principles” to the  
18 power of the federal government to use the Commerce Clause to  
19 impose the individual mandate, the federal government even has  
20 the power to impose criminal prosecution and imprisonment on  
21 citizens who fail to buy a private product designed by the federal  
22 government; and

23 WHEREAS, PPACA contains 18 separate tax increases that  
24 will cost taxpayers an additional \$503 billion between 2010 and  
25 2019, and will slow economic growth, throw Americans out of  
26 work, suppress wages for the currently employed, decrease  
27 incentives for individuals to work and save, and raise health  
28 insurance premiums; and

29 WHEREAS, While President Obama promised not to raise taxes  
30 on families making less than \$250,000 a year, the tax provisions  
31 in PPACA — including the increased payroll taxes, taxes on drugs  
32 and medical devices, the 40-percent excise tax on certain health  
33 care plans, caps on deposits into a Health Savings Account and  
34 Flexible Spending Account, and increasing the floor on the  
35 deduction for medical expenses from 7.5 percent of adjusted gross  
36 income to 10 percent — will increase taxes on middle-income and  
37 lower income families; and

38 WHEREAS, While the hospital insurance portion of the payroll  
39 tax has exclusively been used in the past to ensure the solvency  
40 of social security and Medicare, PPACA raises this portion of the

1 payroll tax to fund the new PPACA entitlement and thereby tempts  
2 future Congresses to enact payroll tax increases to pay for programs  
3 other than social security and Medicare; and

4 WHEREAS, Because the income thresholds related to the  
5 increased payroll tax and new 40 percent excise tax on health plans  
6 in PPACA are not fully indexed for medical inflation, these taxes  
7 will hit more and more middle-income Americans each year until  
8 the law is repealed; and

9 WHEREAS, PPACA's new taxes on drugs and medical devices  
10 will disproportionately hurt seniors and the disabled; and

11 WHEREAS, The nonpartisan Congressional Budget Office  
12 (CBO) has predicted that the employer mandate in PPACA will  
13 result in throwing 700,000 Americans out of work; and

14 WHEREAS, The National Bureau of Economic Research has  
15 predicted that the job losses caused by PPACA will  
16 disproportionately impact high school dropouts, minorities, and  
17 females; and

18 WHEREAS, By forcing employers to increase the amount of  
19 compensation provided to workers in the form of expensive  
20 government-designed health insurance plans, the employer mandate  
21 in PPACA will reduce worker pay; and

22 WHEREAS, The National Center for Policy Analysis reports  
23 that the employer mandate in PPACA contains strong financial  
24 disincentives for midsize employers to hire no more than 49 total  
25 employees and to hire unskilled people only as part-time  
26 employees; and

27 WHEREAS, According to data supplied by the U.S. Department  
28 of Labor and the CBO, PPACA's employer mandate will mean  
29 that workers who cannot produce at least \$20,853 to \$29,332 per  
30 year of value to employers will have serious difficulty finding a  
31 full-time job in California; and

32 WHEREAS, The PPACA employer mandate will provide strong  
33 financial incentives to businesses that employ low-skilled workers  
34 to respond by dumping these employees on the taxpayer-subsidized  
35 exchanges and replacing full-time positions with part-time positions  
36 and temporary positions; and

37 WHEREAS, At a time of high unemployment, one-third of small  
38 business owners have identified PPACA as one of their top  
39 obstacles to hiring new workers; and

1 WHEREAS, Because the employer mandate requires midsize  
2 employers to offer “affordable” coverage, as designed by the  
3 federal government, only to the employee and not to his or her  
4 dependents, Cornell University and Indiana University professors  
5 estimated in a National Bureau of Economic Research working  
6 paper that 13 million low-income Americans may be unable to get  
7 subsidized health insurance through the new state exchanges in  
8 2014; and

9 WHEREAS, Because federal politicians crafted perverse  
10 incentives in the employer mandate, some workers with families  
11 will actually be financially better off if they work for a firm that  
12 doesn’t offer health insurance or for a firm that offers  
13 “unaffordable” insurance as they and their families would be  
14 eligible to obtain taxpayer-subsidized health insurance; and

15 WHEREAS, Because federal politicians wrote into PPACA  
16 radically different and irrational subsidies for people at the same  
17 income level depending on where they obtain their health insurance  
18 — at work, through an exchange, or through Medicaid — these  
19 subsidies will cause a huge, uneconomical restructuring of  
20 American industry; and

21 WHEREAS, PPACA will create a two-tiered health care system  
22 in which low-income workers will congregate in companies that  
23 do not provide insurance while higher income workers will obtain  
24 their health insurance through their employer; and

25 WHEREAS, Douglas Holtz-Eakin, former Director of the CBO,  
26 has estimated that, because of the ill-conceived structure of the  
27 taxpayer-financed subsidies in PPACA, employers with employees  
28 who live in households below 250 percent of the federal poverty  
29 level will have powerful incentives to drop private  
30 employer-sponsored coverage and instead encourage their  
31 employees to obtain insurance from the taxpayer-subsidized,  
32 government-run exchanges; and

33 WHEREAS, A Heritage Foundation study has documented that  
34 PPACA will create a strong financial disincentive for certain  
35 individuals to work by the “cliff effect” provision of the law which  
36 suddenly eliminates all subsidies for those individuals who earn  
37 just above 400 percent of the federal poverty level; and

38 WHEREAS, A survey by McKinsey & Company found that  
39 PPACA will lead to a “radical restructuring” of job-based health  
40 coverage as 30 percent of employers say that they are likely to

1 stop offering workers health insurance coverage when the employer  
2 mandate becomes effective in January 2014; and

3 WHEREAS, Despite President Obama’s promise to millions of  
4 Americans that “If you like your health insurance, you can keep  
5 your health insurance,” the President Obama’s own U.S.  
6 Department of Health and Human Services now estimates that by  
7 2013 between one-third and two-thirds of the 133 million people  
8 with coverage through large employers will lose their grandfathered  
9 protection; up to 80 percent of the 43 million people in small  
10 employer plans will lose their grandfathered protection; and up to  
11 70 percent of those with coverage in the individual market will be  
12 forced to comply with expensive new federal rules; and

13 WHEREAS, A CBO report issued in March 2012 now estimates  
14 that 4 million Americans will lose their employer-sponsored health  
15 plans by 2016; and

16 WHEREAS, A survey by the firm Towers Watson found that  
17 29 percent of large employers are unsure whether or not they will  
18 continuing offering health insurance coverage after the main  
19 provisions of PPACA take effect in January 2014; and

20 WHEREAS, PPACA’s one-size-fits-all mandate on what annual  
21 and lifetime benefit limits will be included in all health plans  
22 resulted in the Secretary of the U.S. Department of Health and  
23 Human Services issuing 1,578 temporary waivers to employers  
24 who said that the higher costs imposed on them by PPACA would  
25 force them to drop health coverage for their employees altogether;  
26 and

27 WHEREAS, The provision in PPACA that allows the Secretary  
28 of the U.S. Department of Health and Human Services to waive  
29 certain provisions of PPACA gives the federal government the  
30 power to reward political allies and campaign donors and punish  
31 political opponents; and

32 WHEREAS, A recent survey by Mercer LLC found that 28  
33 percent of employers believe that compliance with PPACA rules  
34 is already increasing their health care costs and thereby diminishing  
35 job and wage growth; and

36 WHEREAS, According to the National Federation of  
37 Independent Business, PPACA is “death by a thousand cuts for  
38 small business owners”; and

39 WHEREAS, Because provisions of the employer mandate mean  
40 that an employer can be fined by the IRS in certain circumstances



1 if the employer’s employee qualifies for a subsidy from an  
2 exchange due to changes in the employee’s personal circumstances  
3 such as a divorce or a spouse’s lost coverage, PPACA will force  
4 employers seeking to avoid the IRS fine to demand detailed  
5 household income information from their employees and thereby  
6 result in an unnecessary loss of an employee’s and his or her  
7 family’s privacy; and

8 WHEREAS, Enacting real reform that raises the quality of care  
9 while lowering costs is important because high medical inflation  
10 kills jobs, lowers wages, and forces middle class families to pay  
11 more in taxes. PPACA contains what Massachusetts Institute of  
12 Technology (MIT) economist Jonathan Gruber calls a “spaghetti  
13 approach to cost control” in which the strategy is to throw “a bunch  
14 of stuff at the wall [to] see what sticks”; and

15 WHEREAS, President Obama and congressional Democrats  
16 ignored addressing rising health care costs and wage decreases  
17 that impact over 250 million insured Americans — a RAND study  
18 found that most of the pay increases that employees have received  
19 over the last 10 years have been consumed by increasing health  
20 costs — by solely focusing on creating a new and unsustainable  
21 entitlement program; and

22 WHEREAS, Tennessee Governor Philip Bredesen, in the column  
23 “Obamacare’s Incentive to Drop Insurance,” wrote in the Wall  
24 Street Journal on October 21, 2010, that the economics embedded  
25 in PPACA “become compelling for many employers to simply  
26 drop coverage and help their employees obtain replacement  
27 coverage through an exchange”; and

28 WHEREAS, Governor Bredesen estimated that Tennessee, as  
29 an example, could “reduce our annual costs by over \$146 million  
30 using the legislated mechanics of health reform to transfer them  
31 [Tennessee state employees] to the federal government” and  
32 predicts that “Local governments will find eliminating all coverage  
33 particularly attractive”; and

34 WHEREAS, Provisions in the employer mandate and the  
35 exchange regulations will cause disincentives for marriage, as it  
36 provides substantially greater subsidized coverage for couples who  
37 live together and for people who get divorced; and

38 WHEREAS, While President Obama promised the American  
39 people in remarks to a joint session of Congress in September 2009  
40 that his health plan would “cost around \$900 billion over ten

1 years,” the CBO estimated in a March 2012 report that PPACA  
2 will cost \$1.76 billion (including only the costs of coverage and  
3 not implementation and other costs) between now and 2022 and  
4 add \$1,083 billion to the federal deficit; and

5 WHEREAS, While President Obama promised the American  
6 people that his plan would “bend the cost curve down,” a study  
7 released on July 28, 2011, by the actuaries the Centers for Medicare  
8 and Medicaid Services (CMS) found that PPACA will increase,  
9 not reduce, national health expenditures and thereby bend the cost  
10 curve up and exacerbate an already serious problem for individuals,  
11 families, and taxpayers; and

12 WHEREAS, While the Kaiser Family Foundation estimates that  
13 young adults (ages 19-29) account for 30 percent of the total  
14 uninsured U.S. population and 36.6 percent of all uninsured adults,  
15 PPACA imposes new federal rules that will result in artificially  
16 overpricing the cost of health insurance for young adults who tend  
17 to be in good health but earn less than older workers and thereby  
18 encourage young adults to wait until they need or expect to need  
19 medical care before purchasing health insurance or enrolling in an  
20 employer-sponsored plan; and

21 WHEREAS, PPACA will require individuals to buy a health  
22 insurance plan whose cost will grow at twice the rate of growth  
23 of their incomes, claiming more and more of the disposable income  
24 of individuals and families; and

25 WHEREAS, The PPACA creation of 50 state exchanges with  
26 50 different sets of regulations will do nothing to lower health care  
27 costs; and

28 WHEREAS, PPACA conscripts the states as its indentured  
29 servants in the federal health care takeover as they set up and  
30 operate insurance exchanges, determine eligibility, oversee  
31 insurance plans for compliance with federal dictates, and then to  
32 impose a new tax on health insurers to fund the new state exchange  
33 bureaucracy; and

34 WHEREAS, PPACA confers an exclusive franchise to the  
35 federal Office of Personnel Management to offer two  
36 taxpayer-subsidized, “too big to fail” health insurance plans on all  
37 the state exchanges, which will allow the federal government,  
38 through this so-called “Public Option,” to underprice private health  
39 plans, gradually undermine the ability of private sector providers  
40 to provide care, and thereby ensure that freedom-loving Americans

1 will be forced to receive their medical care from a paternalistic,  
2 government-run, “no choices for you,” single-payer bureaucracy;  
3 and

4 WHEREAS, PPACA, in a clear assertion that federal politicians  
5 and unelected federal employees at the U.S. Department of Health  
6 and Human Services know better than hard-working individuals,  
7 families, and employers on how to design an appropriate health  
8 insurance plan, will drive up health insurance premiums and reduce  
9 wages by mandating that health plans cover specified medical  
10 services under the economically illiterate and fairyland fiction that  
11 these services will be “free” to the enrollee; and

12 WHEREAS, PPACA, by giving a small number unelected  
13 federal employees at the U.S. Department of Health and Human  
14 Services the broad regulatory power to mandate that every  
15 “essential health benefit package” cover specified services, takes  
16 the important decision about what type of medical benefits would  
17 provide the most financial protection out of the hands of  
18 hard-working individuals, families, and employers; and

19 WHEREAS, PPACA empowers the United States Preventive  
20 Services Task Force, the same unelected group that in November  
21 2009 recommended that women ages 40-49 should not get routine  
22 mammograms because they are not cost effective, to decide,  
23 without any public hearings or comments, whether a whole range  
24 of preventive services and screenings will be covered by health  
25 insurance plans and which ones will not be covered; and

26 WHEREAS, According to the National Center for Policy  
27 Analysis, the PPACA mandate that health plans provide “free”  
28 preventive services will, given the growing physician shortage and  
29 the fact that one out of every five Americans currently lives in an  
30 underserved area, force family doctors to spend all their time  
31 delivering care to basically healthy people and make it more  
32 difficult for those patients with more urgent or chronic needs to  
33 obtain medical care; and

34 WHEREAS, PPACA, by federalizing the power to create an  
35 “essential health benefits package,” provides an open invitation  
36 to special interest groups to exert pressure on unelected federal  
37 employees at the U.S. Department of Health and Human Services  
38 and to lobby and provide even larger campaign contributions to  
39 members of Congress in order to expand the scope of the federal

1 minimum coverage requirements at the expense of hard-working  
2 individuals; and

3 WHEREAS, PPACA, by giving Congress the power to year by  
4 year add new and expensive benefits to the “essential health  
5 benefits package,” can only be seen as the “Undemocratic  
6 Incumbent Protection Act” as skyrocketing campaign contributions  
7 by rent-seeking special interest groups will go to those U.S.  
8 Representatives and Senators who do the bidding of lobbyists  
9 rather than to congressional challengers, thereby undermining free  
10 and fair elections; and

11 WHEREAS, Even with the federally imposed individual  
12 mandate and IRS fines on citizens, the CBO estimated that in 10  
13 years there would still be 23 million Americans without health  
14 insurance because of the law’s powerful financial incentives on  
15 individuals to only buy the expensive, government-designed health  
16 insurance plan when they actually need medical care; and

17 WHEREAS, According to Edmund F. Haislmaier, Senior  
18 Research Fellow at the Heritage Foundation, the PPACA mandate  
19 on all health insurers to meet a specified minimum loss ratio (MLR)  
20 — the percentage of the premium dollar that is spent on claims  
21 versus administration — will reduce health insurer competition,  
22 raise premiums, and result in more erroneous and fraudulent claim  
23 payments; and

24 WHEREAS, Studies have concluded that those individuals who  
25 purchase consumer-directed health care plans like a tax-preferred  
26 Health Savings Account (HSA) coupled with a high deductible  
27 health insurance policy are more likely to track expenses (63  
28 percent to 43 percent), save for the future (47 percent to 18  
29 percent), search for information on physician quality (20 percent  
30 to 14 percent), and participate and see results from wellness  
31 programs like weight loss, fitness, and smoking cessation.  
32 PPACA’s exchange and MLR rules could end this cost-effective  
33 option for millions of hard-working Americans; and

34 WHEREAS, PPACA’s arbitrary MLR regulations will result in  
35 cuts to insurance agent and broker commissions and thus hinder  
36 the ability of consumers to obtain expert advice regarding what  
37 type of health insurance plan would best fit their family’s needs;  
38 and

39 WHEREAS, While a reformed health care system would give  
40 consumers enhanced power to reward health care providers and

1 insurers that deliver a higher level of quality of care at lower cost,  
2 PPACA is accelerating a wave of consolidations, creating larger  
3 insurers, hospital systems, and physician groups which will,  
4 according to a Wall Street Journal analysis, lead to higher health  
5 care costs for consumers; and

6 WHEREAS, In a Health Affairs article published on February  
7 25, 2010, researchers warn that, based on California’s experience,  
8 consolidation of provider organizations as a result of PPACA  
9 “could lead to higher rates for private payers” which are ultimately  
10 passed on to individuals and families; and

11 WHEREAS, According to the National Center for Policy  
12 Analysis, the perverse incentives in PPACA relating to insurers  
13 actually provide perverse incentives for insurers to overprovide  
14 medical services to essentially healthy people to keep them enrolled  
15 while underproviding care to the sick to discourage them from  
16 enrolling and to encourage the departure of the ones they already  
17 have in the insurance plan; and

18 WHEREAS, PPACA, by depositing 16 million people in the  
19 failed and fraud-ridden Medicaid program and accelerating the  
20 early retirement of doctors, nurses, and other health professionals  
21 by their reimbursement policies will result in 900,000 additional  
22 emergency room visits every year and longer wait times for  
23 Americans seeking emergency care; and

24 WHEREAS, While 70 percent of all health care costs are a direct  
25 result of unhealthy behavior — one in five Americans smoke and  
26 three in ten are obese — the antiquated PPACA model will further  
27 separate people from the financial consequences of their poor  
28 behavioral decisions and thereby force people who exercise  
29 personal and financial responsibility to subsidize the skyrocketing  
30 health insurance premiums and costs of those who behave  
31 irresponsibly; and

32 WHEREAS, Despite a 2008 analysis by a Kaiser Permanente  
33 researcher published in Health Affairs that found that states that  
34 enacted guaranteed issue and community rating mandates, like  
35 New York, Washington, Kentucky, New Jersey, and Maine,  
36 dramatically increased premiums in the individual market and  
37 reduced access to care, PPACA now imposes this failed social  
38 engineering experiment on the entire nation; and

39 WHEREAS, While “comparative effectiveness research” can  
40 lead to, when there is a strong and uncompromised

1 physician-to-patient relationship, improved and cost-effective care  
2 for individual patients, the enactment of PPACA will increase  
3 governmental spending to 52 percent of all medical bills and a  
4 perennially bankrupt federal government will use “comparative  
5 effective research” to ration care, especially care provided to  
6 seniors; and

7 WHEREAS, While an injured patient must wait an average of  
8 five years to have his or her malpractice case resolved and nearly  
9 60 cents out of every dollar spent goes to lawyers and  
10 administrative costs, President Obama and the Democratic  
11 Congress didn’t lift a finger to encourage medical malpractice  
12 reform; and

13 WHEREAS, PPACA is based on enacting on \$528.5 billion in  
14 Medicare cuts — one-half of the cost of the new law — not in  
15 order to address the annual \$1.4 trillion federal budget deficit, nor  
16 to pay for the \$5 trillion in debt added in a single presidential term,  
17 or to better ensure the solvency of the Medicare program for  
18 seniors, but to create a new, reckless, and financially unsustainable  
19 entitlement program; and

20 WHEREAS, The number of seniors who need more medical  
21 care is expected to soar to 72 million by 2020, nearly double  
22 today’s number. President Obama’s own Office of the Actuary at  
23 CMS estimated the Medicare provider cuts contained in PPACA  
24 would result in 15 percent of Part A providers becoming  
25 unprofitable within 10 years, 25 percent by 2030, and 40 percent  
26 by 2050, which will force seniors to increasingly rely on receiving  
27 basic care from community health centers and public hospitals;  
28 and

29 WHEREAS, PPACA creates the Independent Payment Advisory  
30 Board (IPAB), a body composed of 15 unelected members  
31 appointed by the President, which will, starting on January 15,  
32 2014, impose further reimbursement cuts on physicians and thereby  
33 accelerate the physician exodus from participating in Medicare,  
34 making it more difficult for seniors on Medicare to establish a  
35 trusting and long-term relationship with a physician and only  
36 worsen the ongoing problem of emergency room overcrowding;  
37 and

38 WHEREAS, While almost two-thirds of research on new  
39 medicines approved in the last 10 years was performed in the  
40 United States by the 650,000 Americans who work for

1 pharmaceutical companies, PPACA gives the IPAB the power to  
2 reduce Medicare payments for innovative and life-saving  
3 pharmaceutical products to achieve short-term savings at the  
4 expense of long-term investment in the health of Americans; and

5 WHEREAS, In December 2009, three months before the  
6 enactment of PPACA, CMS Chief Actuary Richard Foster warned  
7 lawmakers — but was ignored — that the proposed long-term care  
8 entitlement program called Community Living Assistance Services  
9 and Support (CLASS) was financially untenable and would  
10 ultimately result in an “insurance death spiral” in the program; and

11 WHEREAS, President Obama’s own Simpson-Bowles Deficit  
12 Commission noted in its report that the CLASS program will  
13 “require large general revenue transfers or else collapse under its  
14 own weight”; and

15 WHEREAS, Former Senate Budget Chairman Kent Conrad, a  
16 Democrat from North Dakota, called CLASS “a Ponzi scheme of  
17 the first order, the kind of thing that Bernie Madoff would have  
18 been proud of”; and

19 WHEREAS, The Obama Administration, despite clear evidence  
20 of the financial failure of CLASS, refuses to support the repeal of  
21 the program; and

22 WHEREAS, PPACA will, according to the CBO and CMS,  
23 increase federal spending on Medicaid by between \$75 billion and  
24 \$100 billion per year at a time when the U.S. government must  
25 borrow 40 cents out of every dollar, much of this from foreign  
26 countries, to pay for ongoing federal programs; and

27 WHEREAS, PPACA will shift 16 million people into Medicaid,  
28 a government-run program that fosters dependency on government,  
29 lowers participation in the workforce, is associated with worse  
30 medical outcomes than private health insurance, and is not accepted  
31 by almost one-half of physicians in American metropolitan areas;  
32 and

33 WHEREAS, While Medicaid is a growing fiscal problem for  
34 states, accounting for 21 percent of state spending, second only to  
35 education, PPACA will make it more difficult for states to spend  
36 their revenues on programs that meet the priority needs of their  
37 residents; and

38 WHEREAS, PPACA will, through its unconstitutional, coercive,  
39 and \$20 billion unfunded mandate on state governments, force  
40 states to cut expenditures for schools, public safety, and other vital

1 general fund programs and/or raise taxes, thereby impeding job  
2 and wage growth for private and public sector workers; and

3 WHEREAS, Under PPACA, most of the coverage expansion  
4 will occur in the government-run Medicaid program. In a recent  
5 poll, 67 percent of primary care physicians said that the new  
6 Medicaid enrollees would not be able to find a primary care  
7 physician in their area; and

8 WHEREAS, Because government-run Medicaid payments to  
9 doctors and hospitals are so low, PPACA will only accelerate the  
10 cost-shift of higher premiums for those with private health  
11 insurance; and

12 WHEREAS, Because PPACA will lower reimbursement  
13 payments to physicians and empower federal politicians and  
14 government employees to “practice medicine,” many of America’s  
15 best and brightest students will not undergo the expense and many  
16 years of training to become a physician; and

17 WHEREAS, PPACA bypasses the long-standing federal Hyde  
18 Amendment, which ensures that no federal funds are used for  
19 elective abortion, by facilitating federal tax credits for private  
20 health care plans that cover abortions and that are offered through  
21 the health insurance exchanges; and

22 WHEREAS, While George Washington wrote, “The  
23 conscientious scruples of all men should be treated with great  
24 delicacy and tenderness; and it is my wish and desire, that the laws  
25 may always be extensively accommodated to them,” President  
26 Obama has used his authority under PPACA to force religious  
27 institutions that serve the common good — schools, hospitals, and  
28 charities — to violate their deeply held beliefs by forcing them to  
29 pay for health insurance coverage that includes subsidized  
30 contraception, morning-after abortion drugs, and sterilization; and

31 WHEREAS, Although the Obama Administration’s edict on  
32 who qualifies to be a “religious minister” was struck down by a  
33 9-0 vote by the U.S. Supreme Court in the Hosanna-Tabor case,  
34 the Obama Administration now asserts the power under PPACA  
35 to decide what organizations qualify as a “religious employer” and  
36 which ones do not for purposes of imposing the federal health  
37 insurance mandates, further eroding the protections of Americans  
38 under the First Amendment to the U.S. Constitution; — and

39 WHEREAS, The repeal of one provision of the PPACA law,  
40 which would have imposed draconian paperwork requirements on



1 millions of small businesses, represents a good start; now,  
2 therefore, be it

3 *Resolved by the Assembly and the Senate of the State of*  
4 *California, jointly*, That the legislature calls on President of the  
5 United States and the United States Congress, as a first step, to  
6 repeal the 2,700-page PPACA because it is incompatible with the  
7 U.S. Constitution’s fundamental principles of liberty, limited  
8 government, federalism, fair elections, and respect for the free  
9 exercise of religious belief, its ill-conceived framework is already  
10 putting new costs on hard-working Americans, and its “put  
11 government first” structure impedes the urgent need to enact real,  
12 consumer-directed health care reform that ensures accessible, high  
13 quality, secure, and affordable health care for all Americans; and  
14 be it further

15 *Resolved*, That, as Alexander Hamilton wrote, “A sacred respect  
16 for the constitutional law is the vital principle, the sustaining energy  
17 of a free government,” federal, state, and local officials should  
18 enact real health care reform consistent with the U.S. Constitution  
19 and state constitutions that puts the citizen and his or her family  
20 at the center of our health care system; and be it further

21 *Resolved*, That the Legislature calls on the Congress, one that  
22 has as more faith in the common sense and self-reliant character  
23 of the American people over the “wisdom” of the Washington,  
24 D.C. aristocracy, to use freedom-based principles to enact reforms  
25 that empower individuals, families, and associations of free  
26 Americans to decide how to best to spend their money in health  
27 care decisions, facilitate access to high-quality, affordable health  
28 insurance, lower the cost of health care and thereby boost worker  
29 wages, reduce the number of uninsured, make health insurance  
30 more portable and secure, and support life-saving innovation in  
31 medical treatment; and be it further

32 *Resolved*, That the Legislature calls on the Congress to use its  
33 lawful authority under the U.S. Constitution to reform federal tax  
34 law, which currently undercuts the portability of health insurance  
35 as Americans move from job to job, creates escalating medical  
36 inflations that kills jobs and cuts wage growth, contributes to the  
37 number of Americans who cannot afford health insurance, creates  
38 dependence of the uninsured on crowded emergency rooms for  
39 routine care and dependence on government programs, and unfairly

1 and regressively confers more tax benefits on employed individuals  
2 as one's income rises; and be it further

3 *Resolved*, That the Legislature calls on the Congress to enact  
4 federal tax reform, through an appropriate use of a universal tax  
5 deduction, tax credit, or vouchers for low-income persons, to enable  
6 Americans to own and control their own health insurance policies  
7 as they currently own and control their automobile, life, and  
8 homeowners' insurance policies and to keep their health insurance  
9 policies when they change jobs, lose their job, or start a new  
10 business; and be it further

11 *Resolved*, That the Legislature calls on the Congress to enact  
12 federal tax reform in order to shift health care decision making out  
13 of the hands of federal and state politicians, lobbyists, and  
14 government employees, and instead empower individual citizens  
15 and families with greater control over their health care dollars to  
16 buy the kind of health insurance policy and long-term care policy  
17 that best fits their needs and their ability to contract with medical  
18 professionals that they trust; and be it further

19 *Resolved*, That the Legislature calls on the Congress to use its  
20 lawful authority under the Constitution to knock down  
21 anticompetitive barriers erected by federal and state politicians  
22 and lobbyists and allow Americans to buy health insurance across  
23 state lines, thereby empowering citizens to financially reward  
24 providers that perform well; and be it further

25 *Resolved*, That the Legislature calls on the Congress to allow  
26 small businesses to voluntarily join together and increase their  
27 purchasing power through association health plans; and be it further

28 *Resolved*, That the Legislature calls on the Congress to lift all  
29 restrictions on employers so they can offer lower premiums to  
30 those employees who practice healthier lifestyles; and be it further

31 *Resolved*, That the Legislature calls on the Congress, instead of  
32 imposing top-down rationing of care to seniors, to use the  
33 principles of competition and choice to ensure the survival of  
34 Medicare for future generations of Americans; and be it further

35 *Resolved*, That the Legislature calls on the Congress, instead of  
36 expanding Medicaid and handcuffing states with new rules, to  
37 reform Medicaid by giving each state the authority to craft  
38 innovative ways to increase the quality of care provided to  
39 beneficiaries, reduce fraud, save taxpayer dollars, and shift  
40 beneficiaries from dependence on government to independence

1 and the ability to obtain their health care coverage from the private  
2 sector; and be it further

3 *Resolved*, That the Legislature calls on Congress to alter or  
4 repeal all rules and regulations to unshackle states to enact policies  
5 that best meet the needs of their local populations; and be it further

6 *Resolved*, That the California Legislature support and back up  
7 these federal reforms to create a consumer-directed and  
8 patient-centered health care system by reforming state law to confer  
9 the same tax benefits for individuals and families who purchase a  
10 Health Savings Account coupled with a high deductible insurance  
11 policy as that currently enjoyed by the citizens of 48 others states;  
12 eliminate costly regulations on health care providers and hospitals;  
13 ensure the every citizen with a preexisting medical condition is  
14 able to purchase an affordable health insurance policy from a  
15 high-risk pool; allow individuals and families a greater selection  
16 of choices regarding what benefits they want to pay for and the  
17 selection of high quality providers; and ensure that institutions of  
18 higher education focus on training physicians and other health care  
19 professionals to meet the health care needs of future generations  
20 of Californians; and be it further

21 *Resolved*, That the Chief Clerk of the Assembly transmit copies  
22 of this resolution to the author for appropriate distribution, to the  
23 President and Vice President of the United States, to the Speaker  
24 of the House of Representatives, to the Majority Leader of the  
25 Senate, and to each Senator and Representative from California  
26 in the Congress of the United States.